

MEMORANDUM

To: H.R. Heller

From: B. W. Morgan

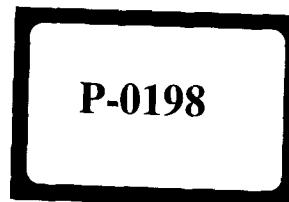
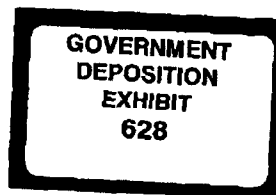
Date: April 28, 1991

Subject: Requirements For Closed Visa Membership

Attached is a preliminary list of actions which could be requested of the Board and Member banks to increase Visa's chances of success in the event that Visa closes its membership while Mastercard remains open. Currently, this list includes only my thoughts. It needs review and input from the full Senior Management Group before it is ready to be presented to Members.


B. W. Morgan

cc: R. Peirce
W. Tallman
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R. Fisher
B. Katz
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Requirements For Closed Visa Membership

Advertising

- Expand consumer TV schedule to 52 weeks.
- Add on-going merchant advertising campaign
- Field second merchant mailing—"CFO/CMO Partnership" concept.
- *Format Visa w. m/c advertisement*

Promotion

- Increase Merchant Relations staff.
- Fund more joint promotions with merchants.
- Add field merchandising broker effort to distribute POS signage, tip trays and check presenters and, if banks volunteer, Visa take-ones. (Mastercard is testing this. We should go directly national ASAP.)
- Add Exclusive Escapes-like offer to Classic accounts as mandatory feature.

Member Marketing

Mandatory:

- Elimination of all duality in Member activities, like:
 - Solicitations and take-ones
 - Accounts and statement mailings
 - Stationery
 - In-branch signage and brochures
 - Advertising. (Must be separate campaign, not just execution.)

Voluntary:

- Differentiation of brand features/benefits.
- Shifting of solicitations and other new account activities towards Visa.
- Shifting of stuffers and in-branch support towards Visa.
- Shifting of advertising support in favor of Visa.
- Cessation of cross-solicitation of Visa accounts with Mastercard. This is especially true of cross solicitation of Visa with Gold Mastercard. An exception is that a Member may undertake activities to split its portfolio by demographics—downscale for Mastercard, middle class and upscale for Visa.
- Initiation of line increases on credit-worthy Visa accounts.
- Initiation of self-selected PIN mailings to increase ATM usage on Visa cards.
- Utilization of merchant service forces and ISO's to distribute Visa POS materials.

Customer Service

- Fund Visa development and market testing of consumer ombudsman service.
- Fund Visa development and pilot testing of merchant ombudsman service.
- Expand chargeback fund concept.

Debit

- Mandate prospective elimination of debit duality.
- Voluntarily, shift cards and volume from Cirrus to Plus.

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